



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

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Ref: 8EPR-N

February 13, 2008

Ms. Elizabeth Orlando
OES/ENV Room 2657
U.S. Department of State
Washington, DC 20520

RE: Comments on the Keystone Oil Pipeline Final
Environmental Impact Statement (FEIS)
CEQ#20080007

Dear Ms. Orlando:

In accordance with our responsibilities under Section 102(2)(C) of the National Environmental Policy Act (NEPA), 42 U.S.C. Section 4332(2)(C), and Section 309 of the Clean Air Act, 42 U.S.C. Section 7609, the U.S. Environmental Protection Agency (EPA) has reviewed the Final Environmental Impact Statement (FEIS) for the Keystone Oil Pipeline Project, prepared by the Department of State (DOS). This letter reflects consolidated comments from EPA Regions 5, 6, 7 and 8. Our review of this FEIS has focused on the response to our comments on the Draft Environmental Impact Statement (DEIS) as transmitted to you on October 9, 2007.

The proposed project is to construct an underground crude oil pipeline from Hardisty, Alberta, Canada to destinations in the Midwest United States. The FEIS focuses only on that portion of the pipeline that is within the borders of the United States. The Proposed Action would result in placement of approximately 1,078 miles of crude oil pipeline from the U.S. and Canadian border to the Wood River and Patoka terminals in Illinois, and an additional 293.5 miles of crude oil spur pipeline to the Cushing terminal in Oklahoma. Additional support infrastructure will include 23 pump stations, 42 pipe storage yards, 17 contractor yards and 45 in-line valves.

EPA, in its role as a cooperating agency on the development of the EIS, has worked closely with the DOS. We would like to commend the DOS for its responsiveness to EPA's concerns throughout the NEPA process. In our overall review of the FEIS, we found that the majority of our concerns on the DEIS have been addressed by DOS or will be addressed during the Clean Water Act Section 404 permitting phase of the pipeline project. However, we recommend that the ROD supplement the statement in the FEIS that "wetland impacts that affect non-jurisdictional wetlands under the CWA Section 404 would not require mitigation" (p. 3.4-4) with an appropriate reference to EO 11990 ("Protection of Wetlands," May 24, 1977), which directs Federal agencies in certain circumstances to avoid and minimize impacts to wetlands.

If you have any questions, please contact Larry Svoboda, Director of the EPA Region 8 NEPA program or Dick Clark, our principal reviewer on this project. Mr. Svoboda can be reached at (303) 312-6004, and Mr. Clark can be reached at (303) 312-6748.

Sincerely,

/s/ Judith Wong
For Robert E. Roberts
Regional Administrator

cc: Joe Cothorn, EPA, Region 7
Virginia Laszewski EPA, Region 5
Kenneth Westlake, EPA, Region 5
Michael Jansky, EPA Region 6
Aimee Hessert, EPA Headquarters

